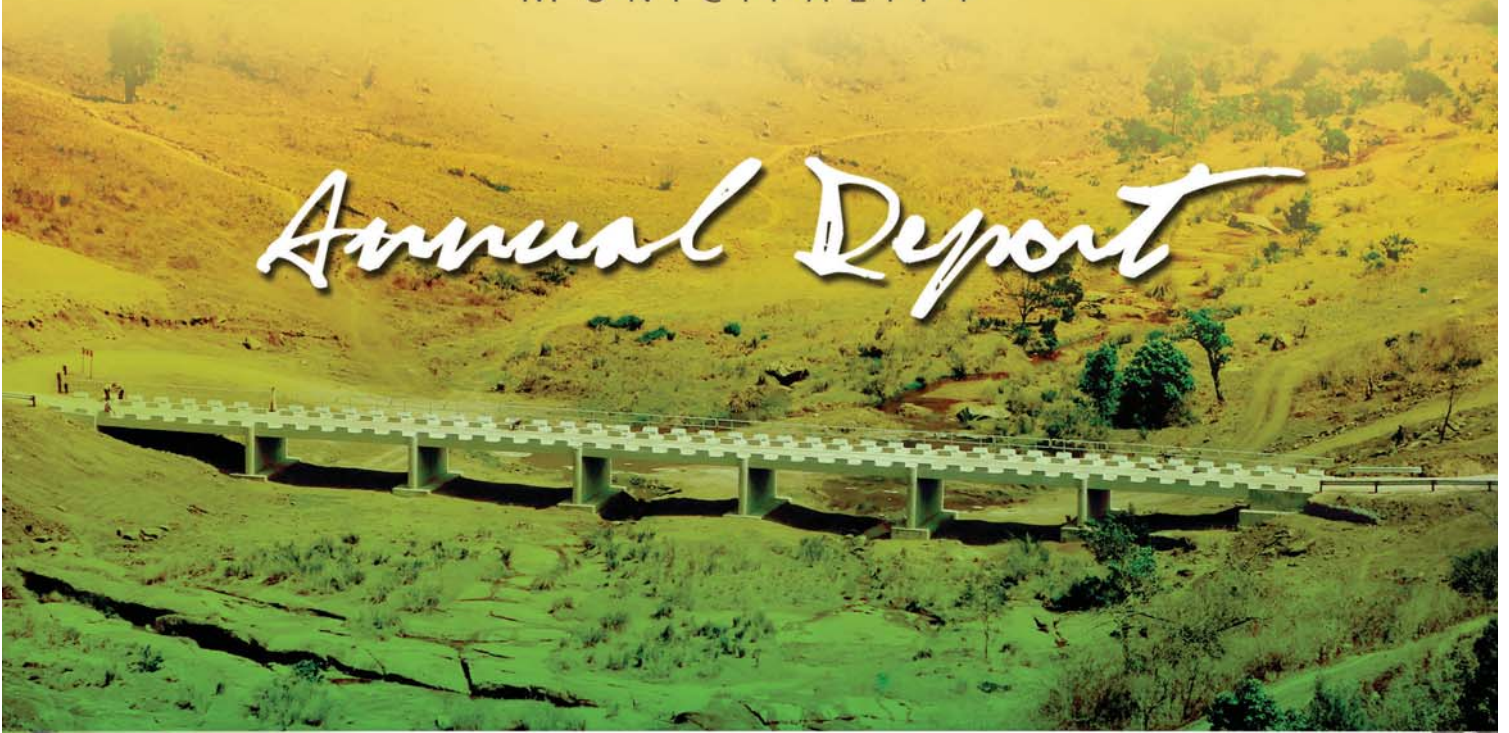




Umzumbe
M U N I C I P A L I T Y

Annual Report



2009-2010

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GLOSSARY OF TERMS

MIG	Municipal Infrastructure Grant
DBSA	Development Bank of Southern Africa
DWARD	Department of Water Affairs and Rural Development
JIPSA	Joint Initiative on Priority Skills Acquisition
ASGISA	Accelerated and Shared Growth Initiative- South Africa
IDP	Integrated Development Plan
SDBIP	Service Delivery and Budget Implementation Plan
MSA	Municipal Systems Act
GDS	Growth and Development Summit
COGTA	Corporative Governance and Traditional Affairs
EIA	Environmental Impact Assessment
DAEA	Department of Agriculture and Environmental Affairs
LED	Local Economic Development
DED	Department of Economic Development
SMME	Small Micro Medium Enterprise
AAT	Associate Accounting Technician
ABET	Adult Basic Education and Training
CPMD	Certificate Programme Municipal Development

INTRODUCTION AND OVERVIEW

EXECUTIVE SUMMARY

The Umzumbe Local Municipality's Annual Report has been developed according to the provisions of Section 121 of the Municipal Finance Management Act (MFMA), 56 of 2003 and Section 46 of the Local Government: Municipal Systems Act (MSA), 32 of 2000.

According to the National Treasury guidelines for the preparation of the Annual Report, the report should comprise five chapters to reflect the key activities undertaken within the organisation during the year under review. A brief summation of what is contained in each chapter is outlined below.

CHAPTER 1 contains the geographic location of the Municipality as well as the population dynamics of the Local Municipality. Key to this chapter is the consultative processes that the Municipality embarked on, which led to the creation of our IDP document. The chapter touches on issues of governance and how the Council is constituted.

CHAPTER 2 reports and highlights some of the key achievements and challenges of the organisation during the year under review. Though the Municipality had faced a number of challenges, but it continued to make progress in service delivery as would be reflected in the report itself.

CHAPTER 3 reports on the programmes designed by the Municipality to improve employment equity and skills development. It also highlights Human Resource Management Policies and Practices that have been carried out to build staff capacity. To ensure transparency, issues of remuneration of Senior Management have also been covered.

CHAPTER 4 also key in this chapter is the fact that we have maintained our timely submission of the Annual Financial Statements to the Auditor-General for auditing. In doing so, we have again received an unqualified Audit Report for the year ended 30 June 2009.

CHAPTER 5 reports on functional areas, development and the Annual Performance Report which reports on performance of the Municipality for the year under review.

LEGAL FRAMEWORK

The constitution of South Africa describes the social values of the country, and sets out the structures of government, what powers and authority a government has, and what citizens have. The Founding Provisions of our 1996 Constitution set out the principles of democracy in South Africa. Umzumbe Municipality is one such democratically founded institution.

The 2009/2010 Annual Report has been prepared in accordance with the provisions of Section 121 of the Municipal Finance Management Act (MFMA), 56 of 2003 and Section 46 of the Local Government: Municipal Systems Act (MSA), 32 of 2000, and it is then approved by the Municipal Council after following all the processes and procedures prescribed by Section 129 of the MFMA. In compliance with the provisions of the MFMA, this Annual Report was tabled by the Mayor at a Municipal Council meeting held on the 25 January 2011, as prescribed by Section 127 of the MFMA, and was thereafter publicised for comments for a period of 21 days, this done in terms of Section 21(a) of the MSA.

The Annual Report was further considered by the Oversight Committee established by the Municipal Council, as directed by Section 129 of the MFMA, to assist the Municipal Council in considering the Annual Report. The report of the Oversight Committee is included in the Annual Report and is therefore made public in terms of Section 21(a) of the MSA.

In presenting this report for the financial year ended 30 June 2010, we acknowledge progress made during the 2009/2010 financial year and the challenges that lie ahead. A detailed account of all the challenges and remedial actions going forward has been provided within this report.



Mayor's Foreword

I greet you in the name of service delivery

The 2009/2010 financial year has been characterised by key achievements in the areas of financial management and public participation. Once again, this year, our collective efforts in reinforcing compliance with the relevant financial management policies, have culminated in an unqualified audit report for the municipality by the Auditor General. We consider this achievement as a significant milestone in our plans to promote and sustain sound financial management principles within the organisation.

Despite our ever existing challenge of limited financial resources, we have however, managed to ensure that the little we have at our disposal, is utilised to address the needs of our people. During the said financial year we have seen a need to spend a significant portion of our budget on community development projects, which include, inter alia, local economic development through Small and Medium Enterprise (SMMEs) development initiatives, Youth development programmes, such as bursaries and learnerships offered to young people as part of our plan to improve education and increase employment opportunities for our youth. We have furthermore responded to the call by the national government to intensify infrastructure development to spearhead job creation. Through our labour intensive projects we have, during this financial year managed to create employment for many of our people in various areas where infrastructure projects have been implemented. During the 2009/2010 financial year we have continued to provide services that are aimed at the most vulnerable groups of our society, the elderly and those that are living with disabilities. We have initiated effective community structures to represent these special groups of our people, as our plan to ensure that everyone(including those with special needs), has an equal voice in determining the process through which service delivery should be rendered to our people.

We pride ourselves in the way that our communities have contributed to the designing of strategies and service delivery plans, through vigorous debates and active participation in all our consultative meeting with various groups of our society during this financial year. This signifies a great level of understanding and awareness by our community about the significant role they ought to play in providing a direction on service delivery issues.

We further applaud the partnership we have fostered overtime with government departments, such as, the Department of Home Affairs and the South African Security Agency (SASSA), Agriculture, Health as well as the Department of Social Development. This partnership has enabled all of us, to plan and implement service delivery in a coordinated manner.

As we celebrate our achievements, we also take cognisance of the fact that the scourge of HIV and AIDS still continues to be a devastating factor in our society. As a result, we have together with Non Government Organisations, intensified our home based care programmes with an aim of giving additional care and support to those that have been affected by this disease. Moreover, we have been working tirelessly in providing awarenesses and educational campaigns, as our contribution to lowering the rate of new HIV infections and encouraging voluntary HIV and AIDS testing to our community.

The 2009/2010 financial year has ended in a very high note, when our country hosted the world for the 2010 Soccer World Cup. Our District, Ugu hosted the Algerian Team, with compassion. We all felt the excitement and unity that the 2010 soccer world cup brought to our shores and we hope that we shall continue to be exemplary in the world with our warmth and care for others. In conclusion, I am positive that 2010 / 2011 financial year will elevate our service delivery plans to the next level higher than what has been achieved in the 2009/10 financial year.

Thank you



Cllr S.T. Gumede

His Worship - The Mayor



Municipal Manager's statement

The Umzumbe Municipality is acutely conscious of its constitutional and policy mandate for developmental local government that includes its powers and functions. This is one of the largest municipalities in the Ugu District family of Municipalities. Despite this vastness of the municipality it is one of the poorest where there is a dire need for improving the lives of people. Notwithstanding a myriad of developmental challenges, there is a great potential for growth and development due to a very dedicated political and administrative leadership.

The year 2009/2010 was to a certain degree better than the previous years because both political and administrative leadership had gained more confidence and experience that enabled them to move with speed towards the enhancement of service delivery. There was more determination to develop basic infrastructure to facilitate development and access to services by the majority of the citizens.

The municipality's purpose was to ensure the idea of a better quality of life by the people in all the communities. The municipality mobilised all resources possible to enhance performance and work ethic with a view to satisfy our customers with adequate service delivery. Fully aware of the scourge of poverty due to high rates of unemployment, the municipality endeavoured to develop strategic objectives that were aligned to the national and provincial government policies and programmes. It was also the intention of the municipality that its development agenda was aligned to the provincial spatial economic development perspective which established the development priorities such as increasing investment, improving skills, and broadening participation in the economy and deepening democracy in the communities.

Economic development was central in this attempt to enable people to attain a better life. One of the pillars of economy in the municipality is agriculture. Therefore a more prescriptive approach to land use management to ensure that suitable areas are used and managed appropriately was central to address some of the social challenges such as HIV and AIDS.

Sanitation is dignity and water is life. The municipality took this dictum seriously when it sourced funding for the drought relief programme notwithstanding the fact that Ugu is the water services authority. This contribution by Umzumbe is profusely acclaimed by the communities though it is a scratch on the surface of water needs and backlogs.

The attainment of a better quality life for people is essentially dependant on financial resources that are well managed. The Municipality managed to develop a sustainable budget. The effective, economic and efficient management of the budget resulted in the achievement once more of an unqualified audit report. This is evidently an indication of the determination by this Municipality to change the lives of its people for better. It must however, lastly be pointed out that challenges of underdevelopment, unemployment and poverty as obtaining in Umzumbe require more resources than is currently available in this Municipality.



DR M.J. NGESI

Acting Municipal Manager

INTRODUCTION AND BACKGROUND

The Annual Report document represents part of the long journey that has been travelled by the Umzumbe Municipality with regard to service delivery to its people. It represents a rigorous process, shared analysis with the community and various stakeholders within the financial year 2009/2010 in making sure that the municipality has an authentic, credible and closely monitored service delivery that represents the aspirations of its civic people.

Both the political and administrative leadership of the municipality, together with our partners in development, collectively understand the common vision of developing the people of the area. There are series of strategic planning workshops, municipal indabas, municipal Integrated Development Plan (IDP) and Budget Roadshows, and summits that have been held in an attempt to craft a new development approach that needs to be undertaken by the municipality to guide its development towards the achievement of its vision in 2015.

The development of the Umzumbe Municipality's IDP, which in principle is reviewed annually, is based on the meaningful contributions that have been made by the members of the community. This is because the municipality adopted the Area Based Management Plan as its community participation methodological tool that allows it to extract the current development path and real status quo on the ground with regard to service delivery. This methodology has enabled the municipality to reflect back to the initial IDP of the financial year 2002 - 2003 that was adopted by the council at the time in order to evaluate the progress that has been made. This has allowed the development of new strategies that will ensure that the municipality is still on the right track in fulfilling its developmental mandate.

We have used the five (5) National Key Performance Areas as our Key Focus Areas that will continue to guide us in our strategic direction. However, the programmes / projects have been refined and refocused in order to be more effective and maximize the service delivery benefits accruing to the community.

VISION

By the year 2015 the people of Umzumbe will enjoy a better quality of life with viable physical and social infrastructure and sustainable economy.

MISSION STATEMENT

The municipality is dedicated to promote people-centred development for service delivery and sustainable Local Economic Development (LED).

Our mission will be achieved by:

- Implementing “new development approach” that strategically addresses the key challenges that are facing the people of Umzumbe.
- Integrated Development Planning, proper co-ordination and integration of development initiatives of Umzumbe Municipality and other spheres of the government.
- Ensuring the fair and just allocation and distribution of resources within the area.
- Enhancing the economic development and growth within the area.
- Infrastructure development and service provision that meets priority needs of the community.
- Learning from other municipalities with the best practices in service delivery.
- Empowering our citizen through capacity building initiatives that characterize the developmental local government.

VALUES

- To be responsive to the needs of the citizens.
- Develop partnerships for development with “friends of Umzumbe” (other government departments and service providers).
- To be transparent, accountable and participative in our dealings with each other regarding the partnerships.
- To cultivate a work ethic on performance, achievements and results.
- To promote and pursue key national, provincial and local government developmental goals.
- To ensure a representative organization.
- To be democratic in the pursuance of our objectives.
- To show mutual respect, trust and ensure high levels of co-operation and discipline in our dealings with service delivery partners.

MUNICIPAL PROFILE

Umzumbe Municipality (KZN 213) is a local municipality falling within the Ugu District Municipality (DC21). It is one of the six (6) local municipalities within the District. It is the largest municipality within the district in terms of the geographic area coverage. The municipal boundary runs along the coast for a short strip between Mthwalume and Hibberdene and then balloons out into the hinterland for approximately 60km. It covers a vast, largely rural area of some 1260km² with approximately 1% being built up / semi-urban. The municipality incorporates 17 traditional authority areas comprising ten (10) municipal wards. The Municipal Council comprises of 19 ward councillors and 18 proportional representative councillors.

One of the greatest challenges in Umzumbe is that the municipality does not own any land, most of the land is owned by the Ingonyama Trust and private owners. The municipality has very close ties with its people, and invests in their growth and development. In the past financial year initiatives such as dress an child, seeds project, community participation and various others have been implemented on the plight to alleviate extreme poverty.

The (2001) national statistics state that the total population within Umzumbe Municipality has been estimated at 193 756 persons. The average ward population is 9 155 people, but there is significant variation above and below this figure. Ward 3 is the largest with 13 308 people and Ward 18 with the population of 4 487, is the smallest. The inland wards such as 12, 1, and 16 are the least dense, with the population densities of 65 to 95 people per km². Coastal wards 19 and 17 have densities of 600 to almost 800 people per km². The population congregates towards the coast, where fast transport routes allow easy access to the economic opportunities.

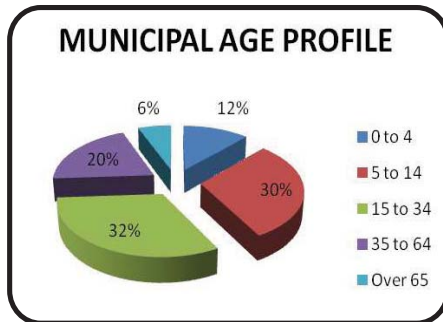
A large proportion of the population is poor, and is characterized by low levels of employment, limited and irregular household income, and inadequate levels of education and training. It is estimated that approximately 50% of the municipal population falls within the economically active group, but of this group, a municipal average of only 9.5% are formally employed.

The dominant land uses in order of significance are: thicket and bush land (27%), subsistence farming (24%), grassland (17%), forestry (12%) and sugar cane farming (7%). There are very little dense residential settlements (1%). The most striking feature, however, of the municipality is the extent of undeveloped natural land cover, which represents almost 60% of the total land area. The topography can be described as extremely rocky and hilly. The municipality embraces 17 traditional authority areas: the Bhekani, Cele, Dungeni, Emandleni, Hlongwa, Hlubi, Izimpethu Zedlovu, Mabheleni, Ndelu, Nhlangwini, Nyavini, Qoloqolo, Qwabe N, Qwabe P, Shiyabanye and Thulini. Because of the size, the municipality has decided to follow an area-based management approach to planning and development. It is divided into four clusters such as follows:

The tables and graphs below provides a brief socio-economic overview of the area.
This overview serves as a background to the strategic planning basis of the municipality:

Graph 1: Municipalage Profile

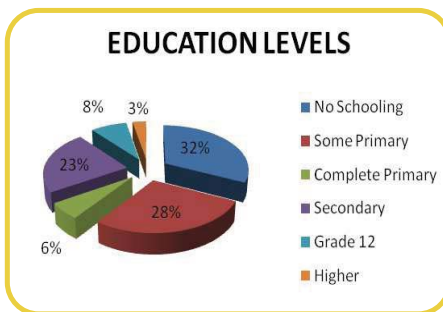
Source: Stats SA, Community Survey 2007



Municipal Age Profile	0 to 4	12%
	5 to 14	30%
	15 to 34	32%
	35 to 64	20%
	Over 65	6%

GRAPH 2: Education Levels

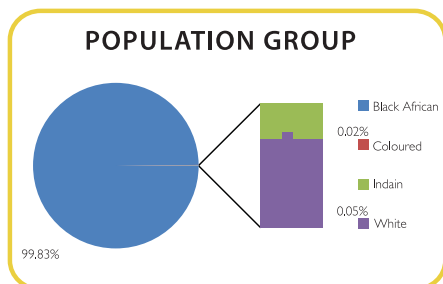
Source: Stats SA, Community Survey 2007



Education Levels over 20's	No Schooling	32%
	Some Primary	28%
	Complete Primary	6%
	Secondary	23%
	Grade 12	8%
	Higher	3%

GRAPH 3: Population Group

Source: Stats SA, Community Survey 2007



Extent of Umzumbe Municipality	1260km2
Population	176,287
Approximate number of households	40,579
Male Population (%)	44.8%
Female Population	55.2%
Number of Municipal wards	19
Number of Councilors	37

table I: Socio-Economic Overview

Source: Stats SA, Community Survey 2007

Labour Force out of total Population		18%
Not economically Active out of total Population		36%
Employment (out of labour force)	Employed	28%
	Unemployed	72%
Housing	Formal	38%
	Informal	1%
	Traditional	60%
	Other	1%
Annual Household Income	None	38%
	R1 - R9 600	38%
	R 9 601- R 153 600	23%
	Above R153 600	

1.3 INSTITUTIONAL ARRANGEMENTS, ROLES AND RESPONSIBILITIES

Table 2: below illustrates the organizational structure adopted to coordinate the IDP process. There has been no change to the existing structure as the roles and responsibilities have not changed.

ROLE PLAYER.	ROLE AND RESPONSIBILITIES
Municipal Council	<ul style="list-style-type: none"> Final decision making body of the municipality Adopts the IDP & Budget Process Plan Considers and Adopts the Reviewed Final IDP
Executive Committee	<ul style="list-style-type: none"> They are the executive authority of the municipality
	<ul style="list-style-type: none"> Delegate the overall management, co-ordination and monitoring of the process and development of the IDP & Budget to the Municipal Manager
IDP Steering Committee	<ul style="list-style-type: none"> Consists of the Heads of Departments (HODs), which are: The Municipal Manager's Office, Director Corporate Services, Director Financial Services, Director Technical Services, Director Economic & Social Services and the IDP manager. Oversee the alignment of the planning process internally (within the municipality) and externally (with other stakeholders).
IDP Forum	<ul style="list-style-type: none"> Consists of all the ward councilors/ communities, Government Department NGOs, GBOs and other role players/ services providers. The stakeholders provide input in the developmental process of the municipal IDP.
IDP Manager/ Municipal Manager	<ul style="list-style-type: none"> Provides relevant technical input throughout the IDP process Gives an input in the preparation of the sector plans/ programmes Managers and co-ordinates the IDP process

EXECUTIVE COMMITTEE STRUCTURE

The Executive Committee has delegated plenary powers to exercise the powers, duties and functions of Council, excluding those plenary powers expressly delegated to other standing committees and those powers which are wholly reserved to the Umzumbe Local Council. Notwithstanding the above, the Executive Committee is authorised to exercise any of those plenary powers delegated to other Standing Committees in circumstances where any matters from these committees are referred to the Executive Committee.

In line with Section 80 of the Municipal Structures Act, the Municipality currently has 5 multi-party Portfolio Committees, namely; Finance Budget Control and Corporate Services portfolio committee; Standing Committee on Public Accounts, Local Economic Development & Infrastructure portfolio committee; Community Services portfolio committee and Planning portfolio committee. These Portfolio Committees continue to assist the Executive Committee in policy development and monitoring to accelerate service delivery, as well as the oversight of strategic programmes and projects.



His Worship the Mayor

Cllr. S.T. Gumede

Exco Chair
and Head FBCC Portfolio Committee



Deputy Mayor

Cllr. N.Y. Dlamini

Head: LED and Infrastructure
Portfolio Committee



Honourable Speaker

Cllr. S.R. Ngcobo



Cllr. G.M. Mchunu

Head: Community Services
Portfolio Committee



Cllr. S.M. Zuma

Head: Planning
Portfolio Committee



Cllr. B.N. Shozi

Exco Member

COUNCIL MEMBERS

The executive and legislative authority of a municipality is vested in its Municipal Council. The pre-eminent roles of the Council, amongst others, are the approval of by-laws, budgets, policies, IDP, tariffs for rates and service charges. The Council consists of 37 members, 6 of whom are full-time.



Cllr S.R. Ngcobo
ANC



Cllr S.T. Gumude
ANC



Cllr N.Y. Dlamini
ANC



Cllr M. Mchunu
ANC



Cllr M.R. Ngcobo
ANC



Cllr M.A. Dlungwana
ANC



Cllr D.Z. Shoji
ANC



Cllr M.J. Ngcongco
ANC



Cllr M.Z. Luthuli
ANC



Cllr Z.T. Chiliza
ANC



Cllr M.J. Mkhize
ANC



Cllr C.L. Shezi
ANC



Cllr M.A. Chiliza
ANC



Cllr P.Z. Nkomo
ANC



Cllr T.L. Peters
ANC



Cllr J.P. Ngcobo
ANC



Cllr. Mntambo
ANC



Cllr. K.B.M. Mbhele
ANC



Cllr. M.P. Shoji
ANC



Cllr. M.R. Mqadi
ANC



Cllr. L.M.R. Ngcobo
IFP



Cllr. K.S. Doncabe
IFP



Cllr. E.B. Qumbisa
IFP



Cllr. C.N. Mpisane
IFP



Cllr. B.N. Shoji
IFP



Cllr. S.D. Chiliza
IFP



Cllr. B.B. Luthuli
IFP



Cllr. A.T.S. Ngcobo
IFP



Cllr. Y.L. Duma
IFP



Cllr. S.C. Sithole
IFP



Cllr. S.M. Zuma
IFP



Cllr. K.O. Dlamini
IFP



Cllr. N.L. Ngcobo
IFP



Cllr. T.M. Khuzwayo
IFP



Cllr. M.T. Shezi
DA



Cllr. Z.B. Shoji
IFP



Cllr. T.A. Cele
ANC